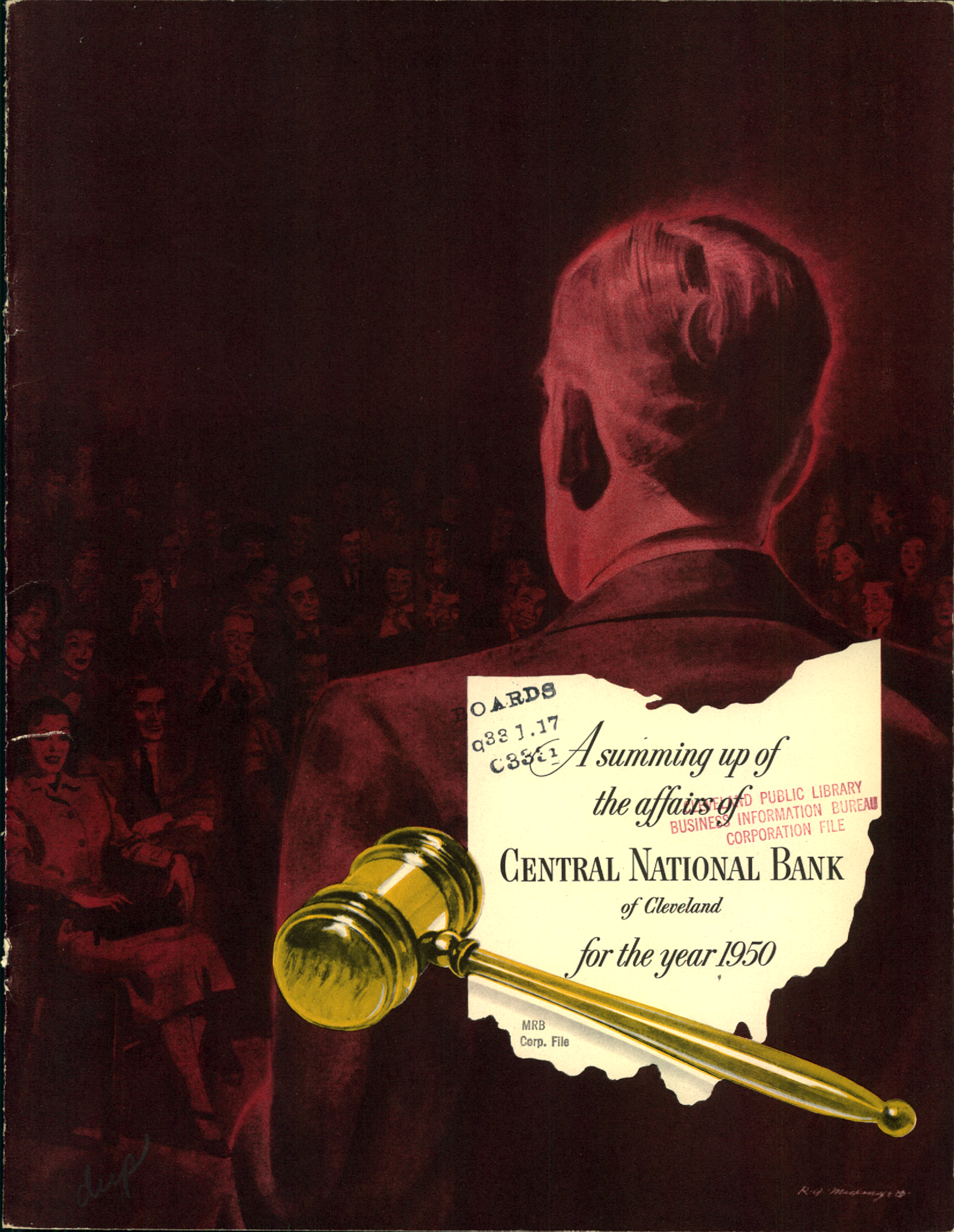

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A summing up of the affairs of

CENTRAL NATIONAL BANK

of Cleveland

for the year 1950

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CENTRAL
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A summing up of the affairs of

CENTRAL NATIONAL BANK

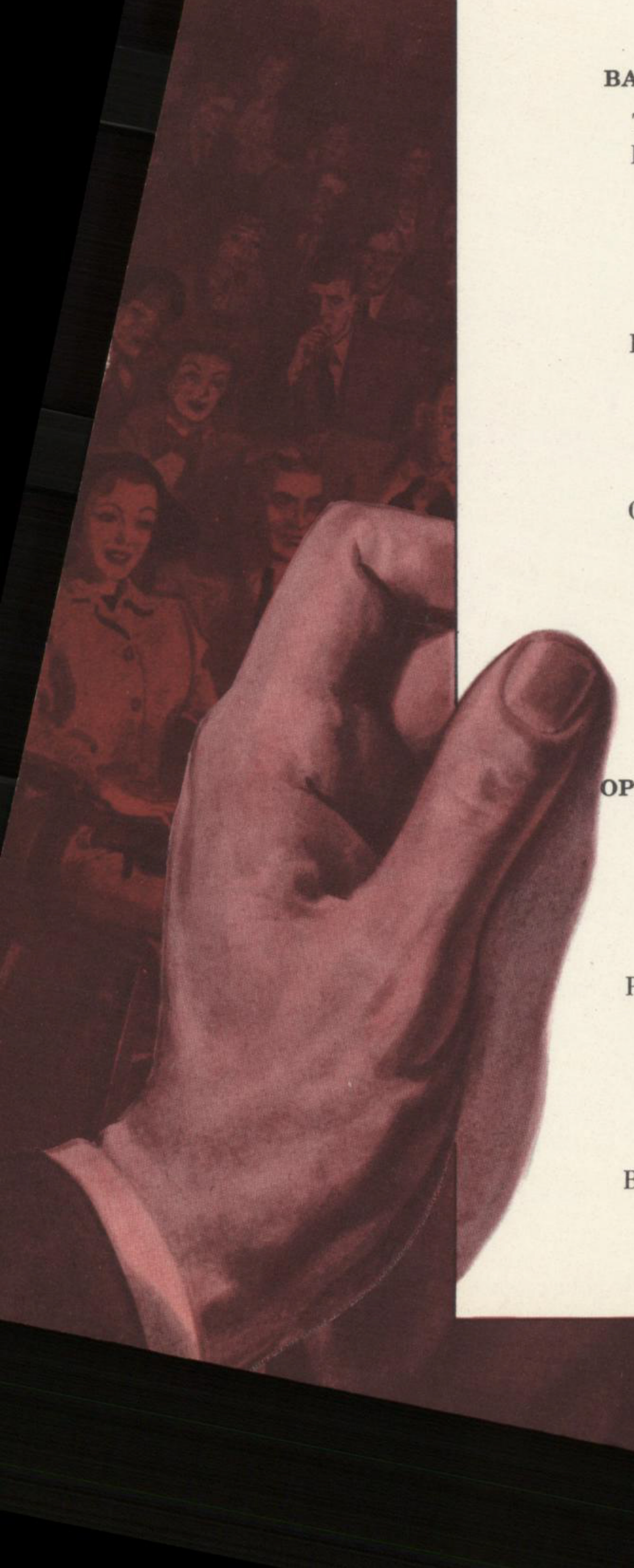
of Cleveland

for the year 1950

A BANK is bricks and mortar, vaults and tellers' windows, coins and currency, desks and adding machines. But, most of all, a bank is people . . . and their helpfulness to the community which they serve.

The facts and figures of this annual report indicate to some extent the measure of this bank's helpfulness. But figures by themselves are cold and impersonal. They do not reveal the friendly effort and interest of the people of this bank as they serve the public. Therefore, on the left-hand pages of this report we are telling the story of the personal, human side of our bank.

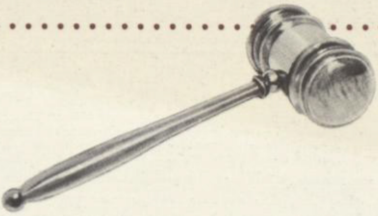
The names of the individuals and companies described are fictitious, but there is no fiction concerning the basic facts about them. Each illustration typifies a hundred instances in which the men and women of our staff have fulfilled their mission of usefulness to this community.



BRIEF SUMMARY OF THE REPORT

BALANCE SHEET ITEMS	1950	1949
Total Assets	$443,995,443	$402,579,557
Principal Asset Items:		
Cash and Due from Banks	$104,790,687	$ 85,135,306
U. S. Government Obligations	185,193,131	190,492,329
Other Bonds and Securities	3,248,768	3,595,191
Loans and Discounts	135,935,344	115,645,116
Principal Liability Items:		
Demand Deposits	$292,484,154	$258,124,036
Time Deposits	121,141,143	122,574,126
Total Deposits	$413,625,297	$380,698,163
Capital Funds:		
Preferred Stock	$ 3,400,000	$ 3,400,000
Common Stock	6,600,000	6,600,000
Surplus	5,700,000	5,500,000
Undivided Profits	1,292,065	811,988
Reserve for Contingencies	577,526	695,985
Total Capital Funds	$ 17,569,591	$ 17,007,974
OPERATING RESULTS		
Net Operating Earnings Before Reserves	$ 1,776,076	$ 1,588,638
Operating Earnings Transferred to Reserves	700,000	1,000,000
Earnings Added to Undivided Profits	1,076,076	588,638
Dividends Paid on Common Stock	396,000	360,000
Per Share of Common Stock		
Net Operating Earnings Before Reserves	$ 5.38	$ 4.81
Operating Earnings Transferred to Reserves	2.12	3.03
Earnings Added to Undivided Profits	3.26	1.78
Dividends Paid on Common Stock	1.20	1.20
Book Value of Common Stock	$ 42.94	$ 41.23

The Annual Report



To Shareholders
Central National Bank of Cleveland

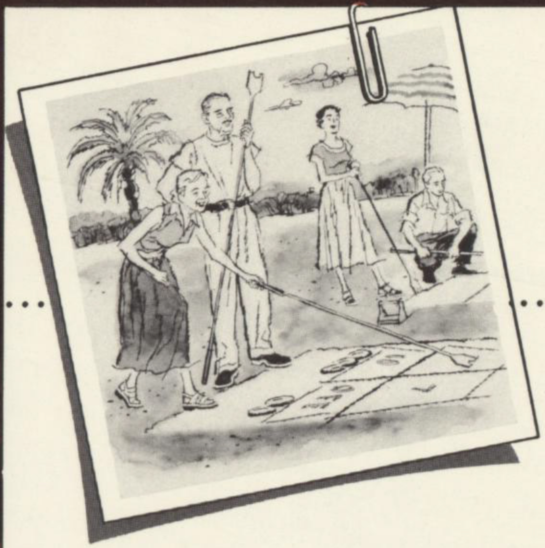
Let us get right down to the essential facts in which shareholders are interested principally. At year-end, the results of our work for the 12-month period disclosed the following:

Earnings: $ 1,776,076, or $5.38 per share, compared with $4.81 for 1949.
Deposits: $413,625,297, compared with $380,698,163 in 1949, increase 8.6%.
Cash: $104,790,687, compared with $ 85,135,306 in 1949, increase 23 %.
Loans: $135,935,344, compared with $115,645,116 in 1949, increase 17.5%.
U. S. Gov't. Securities: $185,193,131, compared with $190,492,329 in 1949.
Other Securities: $ 3,248,768, compared with $ 3,595,191 in 1949.
Banking Premises: $ 1,806,914, compared with $ 2,721,685 in 1949.
Capital: $ 17,569,591, compared with $ 17,007,974 in 1949.
(Capital does not include Valuation Reserves of $2,687,458)
Personnel: 870.
Common Stock: 330,000 shares registered in 2,827 names.

THE YEAR'S GROWTH AND EARNINGS

The year's earnings were the best in the history of the bank. Increases in deposits and the greater demand for loans of all kinds from a constantly increasing number of depositors and customers, give rise to the need for increasing our common capital stock in order to support this growth properly. As the dollar volume in deposits and loans increases, so does the need for capital. Ultimate retirement of preferred stock is our constant objective and adequate common capital is necessary to assist in the attainment of this objective. Therefore, we have asked the shareholders to authorize the issuance of 66,000 new shares of common stock, thereby increasing the outstanding shares from 330,000 to 396,000. With substantial transfers to Valuation Reserves concluded in 1951, as explained further along in this report, and with completion of our housing program and the renovation of branches, it is expected that thereafter greater amounts from earnings will be added to our capital structure.

Net operating earnings for the year, after provision for federal income taxes and dividends on preferred stock, were $1,776,076, compared with $1,588,638 for 1949. This amounts



Subject: SAVINGS

Dreams do come true — but they don't just happen.

Thirty odd years ago, a quiet, unassuming young man came into our bank and opened a savings account. His name was Sam Vordko. He was a laborer in a steel mill. Sam deposited $3 in his new account and grinned his appreciation for the friendly attention shown him.

Every week for years, Sam came in to see us. Each time he added money to his account. The $3 investment grew with his dreams.

As he earned more money, his weekly deposits became larger. After he married, and added his wife's name to his savings book, Sam kept coming in, week after week, to put aside something from each pay.

Sam told us about his dream. It was to be a little cottage in Florida . . . a place he'd build and live in for the rest of his life, when he was too old to work. Now and then, he'd discuss with us his plans and the best way to make them come true.

Today, under the glass top of his desk, one of our officers has a snapshot of Sam and his wife. The picture was mailed to him a short time ago from Florida. Sam, now retired, had saved his money and made his dream come true.

to $5.38 per share for the 330,000 shares of common stock, compared with $4.81 per share for the year 1949.

Estimated increase in federal income taxes is $555,000, or $1.68 per share of common stock. The increase arose principally from increased earnings, a reduction in the amount of operating earnings transferred to Valuation Reserves, as well as an increase in the tax rate. Notwithstanding these tax increases, net operating earnings advanced $187,437 over 1949.

Operating costs were affected by rising prices in all the goods and services required in banking. Payrolls also were increased in this, as in other businesses. Nevertheless, economies in operations which became effective in 1949, when we first occupied our new Headquarters Office, were continued throughout 1950. Modern machinery, improved working space, and an efficient staff, all contributed to keep our operating expenses less than in 1949. Of the operating profit of $1,776,076, the sum of $700,000 was transferred to Valuation Reserves and the remaining $1,076,076 was added to Undivided Profits. Cash dividends totaling $396,000, or $1.20 per share, were paid on the common stock during 1950.

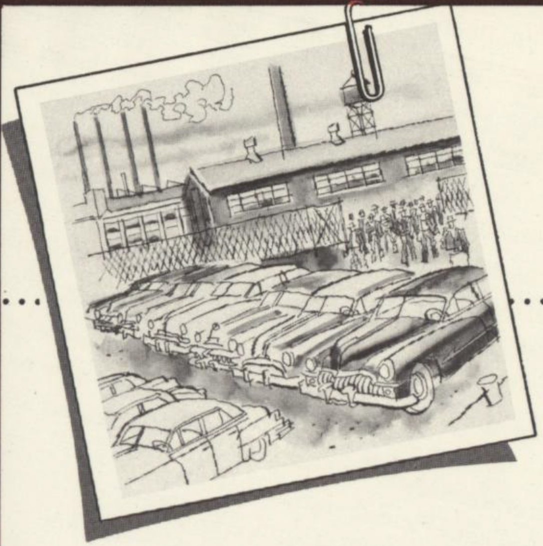
VALUATION RESERVES

The Valuation Reserve Account, or Reserve for Bad Debts, was established in 1948 under a formula prescribed by the United States Treasury, whereby operating earnings, free from income taxes, may be transferred to this account. At the close of the year, this account had a balance of $2,687,458, and it is to this Reserve that losses sustained in the loan accounts are charged and recoveries credited. Under the formula prescribed in the regulations, it is expected that these Reserves will reach the maximum amount allowable for tax purposes in 1951. The amounts in the Valuation Reserve are deducted from the total of our loan portfolio in our regularly published financial statements.

Those loans, or any portions thereof, considered by the bank officers or examining authorities to be unsatisfactory assets are promptly written off against the Valuation Reserves. Amounts written off during 1950, less the amount of recoveries realized, amounted to $176,500 and these amounts were charged against Valuation Reserves. Substantial recoveries are expected.

LOANS AND INVESTMENTS

The year 1950 brought about a substantial increase in our loan account. At the year-end we held $135,935,344 of loans, compared with $115,645,116 at the close of 1949. Our increase closely parallels that of other banks throughout the nation. The increase in loans came in all classifications and was the result of the expanding economy. While it is difficult to predict



Subject: BUSINESS LOANS

Ten years ago, the Evans Bros. Company was housed in a unpretentious two-car garage behind Tom Evans' house. Today the neat, spacious plant of the Evans Bros. Company employs more than 200 persons.

The brothers came into this bank one morning . . . back when the garage was the entire plant . . . and told us of their dreams and hopes that required financing. Because money cannot be loaned on ambition and eagerness alone, we worked with them to seek a basis for financial help. Their accounts receivable were sound. They made a quality product. Their character and skill were unusual. Their potential customers were substantial business firms. It all justified a loan of $5,000 to provide additional equipment.

Although the business prospered, it required close supervision. It needed help in getting over its growing pains . . . and it occasionally needed a gentle but restraining hand on financial management. The future of the little company became a challenge . . . demanding more time and attention than routine banking procedures ordinarily require.

But, we're proud of that, because this company is now strong, resourceful and financially solid. We're proud, because in filling a commercial banking need, we also served our community. We helped maintain a payroll for 200 heads of families in our town . . . livelihood for more than 1000 persons, all told.

that additional demands will bring about further increases, we are of the opinion that in the near future, results of federal regulations on consumer credit and housing will bring about some reduction of loans in these categories.

Again we have experienced a year of large repayments by homeowners in their programs to retire their obligations with payments substantially exceeding the requirements of the repayment schedules. At the year-end 40.7% of our real estate mortgage loans were guaranteed under regulations of FHA and GI Bill, and the remainder are conventional mortgages. We hold 7,090 mortgages, averaging $5,705 each.

Our loan portfolio continues to be widely diversified and serves a large number of borrowers. It has been, and will continue to be, our policy to provide funds for the legitimate loan requirements of individuals, corporations, and others, including both large and small businesses.

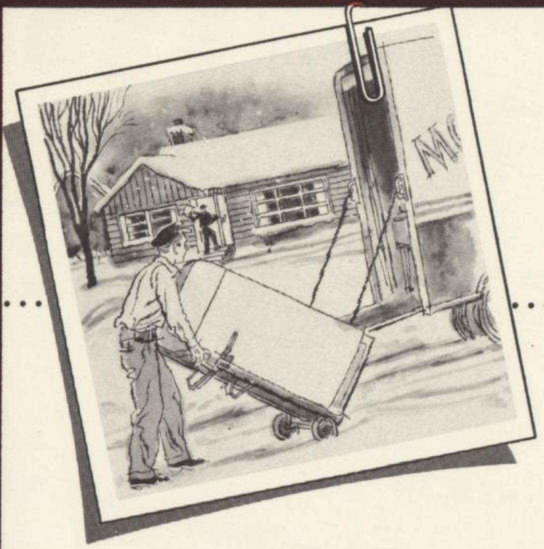
Our loan portfolio is made up of the following classifications:

Collateral	$ 50,707,302.29
Unsecured	47,209,378.85
Mortgages	40,447,745.55
Acceptances	258,376.33
Total	$138,622,803.02
Less Valuation Reserves	2,687,458.85
Net	$135,935,344.17

Securities owned by the bank at the year-end totaled $188,441,900, of which $185,193,131 or 98.3% were in U. S. Government Securities, $2,777,768 in other securities and $471,000 in stock of the Federal Reserve Bank. 77.7% of these U. S. Government Securities have a call, or maturity date within the next 5 years.

BANKING PREMISES

During the year, our banking premises account showed a net reduction of $914,770 to $1,806,914. This reduction results largely from the sale of the United Office Building and the sale of the building housing our former branch office in Chardon, Ohio. This banking premises account represents investments in the branch office building at 509 Euclid Avenue, the Doan and Oul Branches, the recently remodeled Chagrin Falls Office and the new Playhouse Square Branch. Furniture, machinery and equipment in our Headquarters Office, as well as in all our



Subject: FOREIGN DEPARTMENT

Through all the years of World War II, the word home sang in the secret hopes of men under fire. A certain two hundred of these men had come back to Cleveland and entered into arrangements for buying homes. Months later they still were waiting for that word to take final shape in the brick and wood of the two hundred new houses in a nearby suburb.

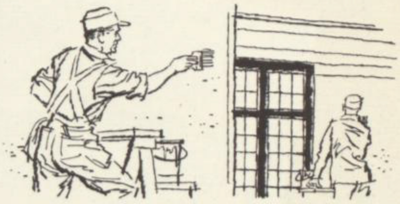
On the threshold of realizing their dreams, they learned that, for want of steel pipe, they couldn't get gas for their furnaces.

Here were two hundred houses for two hundred families who eagerly were awaiting the day of completion . . . but no gas pipe!

About this time, two young owners of a small company selling drilling and pipe-line equipment to utility companies came to our Foreign Department for help. They had located a large quantity of pipe in England, but did not know how to bring it over here. Their financial condition did not justify any bank's lending them enough money to buy the entire supply unless they had a ready purchaser. But, our bank knew of the two hundred almost-completed homes and after several cables to England and the issuance of letters of credit to the two young owners, an arrangement was worked out whereby the needed pipe was loaded aboard ship. Before many days had elapsed, it was installed in the veterans' homes.

Are dreams imported? One could say so in this instance.

branches, are not carried as an asset on the books of the bank, because following our usual practice, we continue to charge to operating expenses all purchases of machinery, equipment and furniture. Cost of new equipment and rehabilitation has been paid from reserves resulting from a charge to operating profits of $300,000 in the year 1950.



With substantial progress accomplished in remodeling our present offices and equipping them with modern and efficient machinery, it is expected that required charges against operating earnings for this purpose will be reduced in 1951 and that a normal maintenance and replacement program will be in effect.

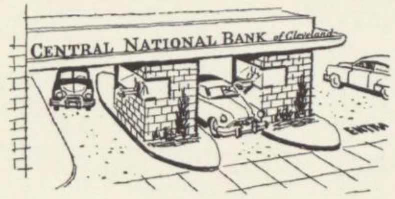
BRANCH OFFICES

The maintenance and development of our branch office system is being improved from year to year. It is our aim to have our branch offices located, as at present, in neighborhood centers of Greater Cleveland where we can serve the greatest number.

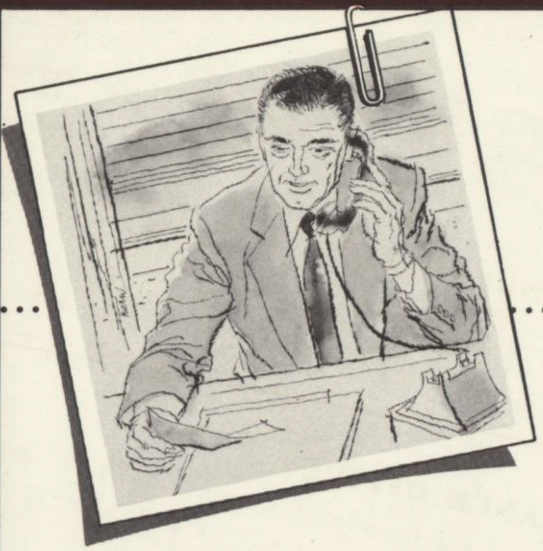
During 1950, we terminated our branch operations in Chardon, Ohio and the assets were purchased by the Chardon Savings Bank Co. We will now concentrate our operations within the limits of Cuyahoga County.

Our major work in maintaining the highest standards in efficiency in our branch offices was centered, in 1950, on the improvement of the facilities and the relocation of the branch at Playhouse Square. There it was our pleasure to give Cleveland its first "Drive-Inside" banking structure at 1718 Euclid Avenue. The increase in the volume of business at this location has justified this move.

Important renovizing programs were completed at our Kenmore, Coventry, and Chagrin Falls branch offices to take care of the mounting volume of business. At these locations it has been necessary to rearrange floor space, tellers' windows, officers' quarters, as well as to provide new equipment and furniture.


CENTRAL NATIONAL BANK of Cleveland

We are in the process of introducing in Cleveland for the first time a new operation in banking—"island booth" banking—where motorists may transact their business without leaving their cars, thus avoiding all the inconveniences of finding parking space or being hampered by inclement weather. This innovation is to be made a permanent part of the Doan Office, for here, facing East 101st Street, or a few steps from Euclid Avenue, there



Subject: CHECKING
ACCOUNTS

Now and then Bob Leslie learns of a good buy from a supplier in another city. Frequently, there just isn't time to write the out-of-town firm, give a credit rating and ask for quick shipment. Just as frequently, out-of-town firms resist shipping large orders C.O.D. In this case, Bob mailed a check with his order to a Chicago company.

Days went by and Bob worried about the delay. He got on the phone and checked on his order. Yes, the Chicago company had it. They'd ship it when they received payment. For a moment, Bob's anger almost forced him into killing the order right then. But that merchandise was in demand and he could make a good profit on it. He protested that he had mailed his check, that somebody in Chicago had made a mistake. Politely, the Chicago man agreed that this could be and that a thorough check would be made. In the meantime, no shipment.

Bob knew the market for this merchandise was a short, seasonal one. So he phoned us and we mailed a photostat of his check. The next morning, he received a wire filled with apologies and the good news that the merchandise was on its way.

Such events are an unfortunate misadventure even to big business. But to the smaller businessman like Bob Leslie . . . and to the individual who must rely upon a receipt to establish proof of payment . . . a canceled check is more than just a slip of paper –– it's a priceless record worth much more than its face value.

will be two booths constructed and connected by an overhead structure with a conveyor between the booths and the branch.

In the renovizing program for our Kenmore Office at St. Clair Avenue and East 140th Street, plans have been completed to install an outside teller's window to provide banking service for motorists.

TRUST DEPARTMENT

The volume of business in both our Personal Trust and the Corporate Trust Divisions continues to grow and expand. The department provides a much-needed service for families and estates through the Personal Trust Division. The Corporate Trust Division, in the fiduciary capacity, continues to count importantly in the corporate affairs of many of our leading business establishments in Cleveland and throughout Ohio. On other pages of this "summing up" you will see that we have reported some details of how the facilities of this department, through the experience and skill of officers and administrative assistants become a vital part of the community and are dynamic in the lives of men and women.

LAST WILL AND TESTAMENT

TIME CREDIT DEPARTMENT

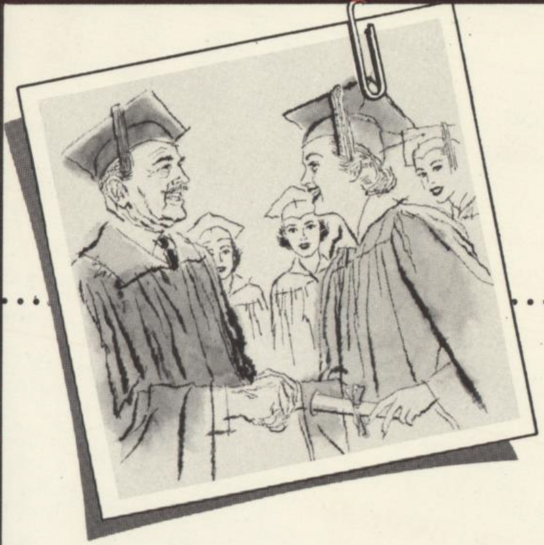
The very popular and profitable Time Credit Department, heretofore housed in the upper floors of our former Playhouse Square Office, was moved to our branch office building at 509 Euclid Avenue. This department is of easy access to the public on the third and fourth floors and is enjoying thoroughly efficient space, with modern equipment. The department has been able to increase its business markedly and in an efficient manner never experienced before.

The space in this branch office building will be completely occupied when the New England Mutual Life Insurance Company becomes a tenant of the fifth floor early in 1951.

FOREIGN DIVISION

This was a record-breaking year for the Foreign Division. Commercial Letters of Credit were opened the world over for the purchase of raw materials so necessary to keep the wheels of industry turning and for payment of goods manufactured here and sold to foreign buyers. The Foreign Division opened the largest number of credits for the largest total dollar amount in its thirty years of service to exporters and importers.

Imports to the United States in August of this year exceeded exports for the first time in



Subject: PERSONAL
TRUST

So brief was the news story, no casual reader would give it second thought:

> ''John M. Todd, 35, manager of a wholesale warehouse here, was killed today when his car skidded off the icy pavement and hit an abutment. He is survived by his widow, Helen, and two daughters, Mary Ann, 6, and Jean, 4.''

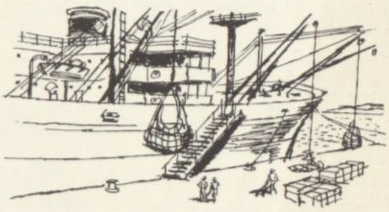
"Survived" is a bleak word . . . the perfect word to describe human leftovers of unanticipated death. Only night sees survivors' secret tears. During the day life's challenge for survival reverts to scheming on how to pay bills and provide food and schooling. How long will it be for little Mary till college — 12 more years? College! Who can think of that now being possible?

But there was someone among John Todd's business friends who had discussed such a contingency with him. A year before his death, John had come to our Personal Trust Department and set up a trust fund for his family. Into it went the money from John Todd's insurance policies, and the trust and the financial welfare of the family from then on became our responsibility.

That was sixteen years ago. Mary Ann was graduated two years ago. Jean is getting her degree this spring. Mrs. Todd can look back through the years with gratitude to the husband who foresaw the possible need of someone to guard the financial security of his family.

thirteen years. The dollars spent for such purchases in foreign markets have been coming back to pay for increased purchases of goods manufactured here. This has resulted in an increase in total number and dollar value of export documents handled and collections made through the Division.

With correspondents in all important trading centers in the world to aid in the financing of such movements of goods, with the facilities of Allen Travel Service to meet the requirements of both commercial and pleasure travelers and with the years of experience in foreign trade, our Foreign Division is meeting an ever-increasing need for handling international trade transactions for all types of traders in this great industrial area.



SAFE DEPOSIT

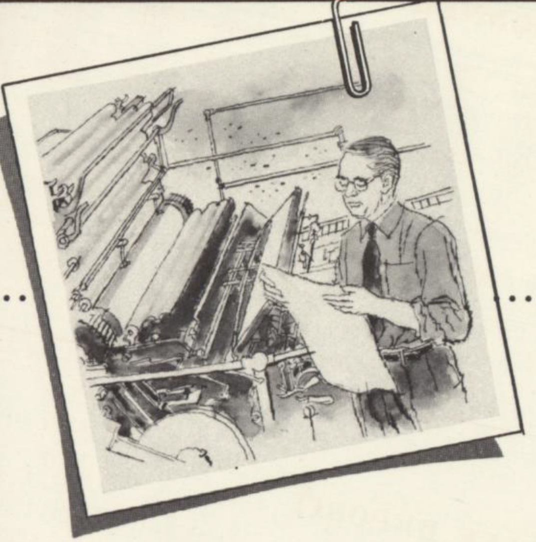
One of the great benefits arising from our offices is the provisions made in safe deposit boxes and vaults offered for public use. In our Main Office, particularly, the number and various sizes of boxes available for rent are sufficient to meet the increasing demands in the city. In our branch offices, also, there are available these security measures.

BANKING BY MAIL

A gratifying experience in our business is the use of the United States Mail by depositors and other customers. During 1950, our deposit business handled through the mail was a third greater than the year before. This, of course, is an indication that managers of households, as well as business, regardless of location—and it can be pointed out that many live at great distances throughout the country—are finding it timesaving, efficient, and profitable to rely upon the United States Post Office as a messenger.

PROTECTION

In view of the uncertainty of the world situation, many businessmen are developing plans for the protection of their personnel and essential records and other property. We have undertaken a program to provide adequate protection for our staff, assets and records of the bank and the property lodged with us by customers. Engineering and staff studies on all phases of this subject are being made to provide the protection to which all are entitled.



Subject: CORPORATE
TRUST

That a man can get his affairs into a financial muddle, is to be expected. But corporations, well, somehow, they are assumed to run like machines. Yet, they are human, too.

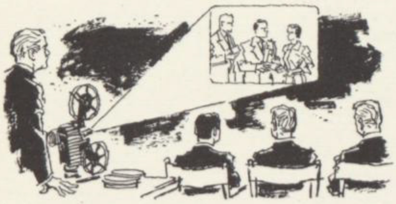
A company came to us, human in its muddle. It was sound, but it had been unable to get credit for expansion. Unpaid cumulative preferred dividends were piling up. Dividends to common stockholders had gone unpaid. Many of the stockholders were employes. Morale ran low. Yet business was good and could be better, if only the firm had been able to finance new presses and make some plant modernization.

At first glance, the condition looked questionable to the men in our Trust Department, as it had to others. Then someone suggested, why not arrange for the payment of the preferred dividends by the issuance of new capital stock which would provide adequate working capital . . . make a few changes here, some revisions there; some debts paid up and others rewritten. The shackles of stagnation were struck off and the firm was able to expand.

What really was needed was an outside point of view. It needed someone who could look at the present financial picture and see the potential. Together, the printing company and the bank were able to work the former out of a difficult situation and put it on the sound road to a successful operation.

PERSONNEL

The personnel of the bank is composed of 870 of the finest type of men and women we can select and train. Of this number, 76 are employed by the building and maintenance department. Because the tasks to which our personnel are assigned vary considerably, particular emphasis is placed on the recruiting of qualified applicants. A continuous training program carried on within the bank, plus splendid adult educational programs participated in by many of our staff, enable us to reach satisfactory goals in advancing our men and women to take on responsibilities. Their proficiency is stepped up by modern office equipment and up-to-date facilities and quarters, which is reflected in improved service to our many customers.



Our Quarter Century Club, composed of persons employed by the bank 25 years or longer, has a membership of 76, of whom 48 currently are employed by the bank. All employees are members of the bank's Pension Plan which was established January 1, 1947. Since this plan has been in effect, 44 staff members have been retired, 42 currently receiving monthly benefits from it.

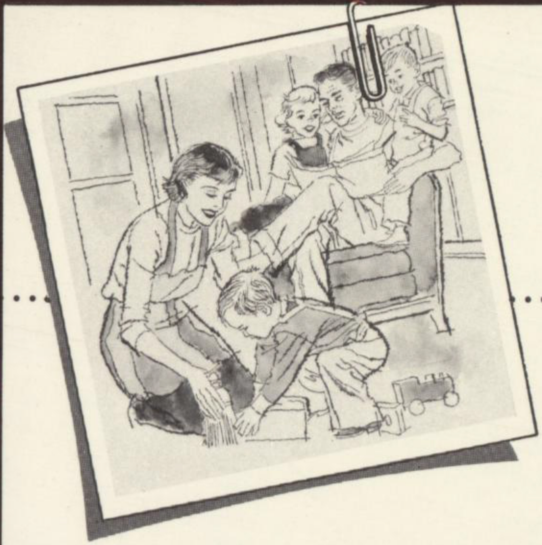
You will recall that at our annual meeting a year ago the places on our Board of Directors occupied by Arthur H. Seibig and General Benedict Crowell were filled by your election of Vice Presidents Frederick C. Schlundt and James M. Killpack, of our executive staff.

During the year, we suffered the irreparable loss of Vice President William E. Roe, who had distinguished himself and his lifelong connection with this bank. His last and longest assignment was as executive head of our real estate mortgage loan department. His place has been filled by a man who was trained by him, Harold H. Juergens, who was elected Vice President. During the year, we advanced two officers to the positions of Assistant Vice Presidents: Russell H. Eichman and Artho E. Staley. We also promoted from the bankstaff Luke H. Lyman, James P. McClain and Eugene H. Wallace to Trust Officers, Thomas W. Harris to Assistant Comptroller and Alvin G. Randt to Assistant Cashier.

Two other important changes made in our officer staff were the promotion of Miles W. Moran to become the bank's Cashier, the eleventh person to occupy this position in the bank's sixty years; and the addition of Frederick Lynch, Jr., as Director of Personnel.

* * *

In closing, we must point out that it is more and more apparent the world stage is being set for sweeping change. Despite tensions which have been felt in international affairs, there



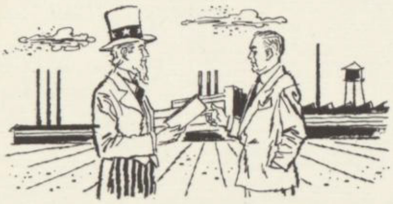
Subject: MORTGAGE LOANS

If you could sit at a bankman's desk and hear men pour out their longing for homes of their own, you'd get a view of the efforts they make to obtain the most important possession they ever achieve.

Frank Novak, for one example from a thousand like him, started his request for a real estate mortgage loan with the story of three children and a wife in the upper half of a rented house. Under Novak lived his landlord. He explained that his kids dug holes in the lawn and they scribbled on the sidewalk. Marie Novak couldn't keep after them all the time. And the children were too noisy for the landlord's elderly mother.

Well, Marie and Frank had started to save, even before they were married. It was almost $3,000. Enough for a down payment? They came to one of our offices, wondering, was it possible? Our man discussed their financial life . . . past, present and future . . . the kind of a home they wanted . . . the relationship between money and time and what could be done about it.

Suddenly that dubious $3,000 took on power and hope. The Novaks did find a place to fit their savings and their three little Novaks. And they got a mortgage loan . . . and a back yard, wonderfully full of little mud holes . . . and no landlord.



is determination to preserve the American way of life—to defend it along with other free peoples. Once again individuals and organizations are demonstrating their ability to adjust to new demands.

At the time of the annual meeting a year ago, peace seemed to be almost ours. Since mid-year, however, we have schooled ourselves to face almost every sunrise with a realization that the hope for peace would have to be strengthened by mobilization for military defense. This was emphasized by the President's proclamation of a national emergency, as the year closed.

So it is that on the occasion of this, the 61st Annual Meeting of shareholders, our organization, for the fourth time since the bank was founded, is re-enacting the role which banking, with its men and women, is called upon to carry out. Some men of our staff have been called into military service. This depletion in our work force is felt because the volume of our business increases when industry takes up new strides in every mobilization program. New and increased demands reappear in every department. Nevertheless, we face the coming year with confidence in our able staff and their ability to do our share of the task.

Acknowledgment of appreciation is made to members of our Board of Directors, the Executive, Trust and other Committees for their loyal and helpful service throughout the year; and to the entire staff for their loyal and helpful co-operation, our praise and thanks.

And, finally, we express appreciation of management for the loyal support of shareholders, many of whom have made substantial contributions to the expansion of our business.

Respectfully submitted,

JOHN C. MCHANNAN
Chairman

LORING L. GELBACH
President

Cleveland, Ohio
January 9, 1951

CONDENSED STATEMENT OF CONDITION

ASSETS	December 31, 1950		December 31, 1949	
Cash in Vault and Due from Banks		$104,790,687.65		$ 85,135,306.12
U. S. Government Obligations		185,193,131.88		190,492,329.44
Other Bonds and Securities, Including Stock of Federal Reserve Bank		3,248,768.20		3,595,191.07
Loans and Discounts (Less Reserves)		135,935,344.17		115,645,116.15
Customers' Liability under Acceptances and Letters of Credit Oustanding		11,306,588.50		3,908,569.85
Banking Premises		1,806,914.64		2,721,685.36
Accrued Interest and Other Assets		1,714,008.48		1,081,359.21
Total Assets		$443,995,443.52		$402,579,557.20
LIABILITIES				
Deposits:				
Demand	$292,484,154.53		$258,124,036.94	
Time	121,141,143.27	$413,625,297.80	122,574,126.33	$380,698,163.27
Acceptances and Letters of Credit Outstanding		11,306,588.50		3,908,569.85
Accrued Expenses, Taxes, Preferred Dividends, etc.		1,493,965.83		964,849.81
Preferred Stock—136,000 Shares, Par Value $25	$ 3,400,000.00		$ 3,400,000.00	
Common Stock—330,000 Shares, Par Value $20	6,600,000.00		6,600,000.00	
Surplus	5,700,000.00		5,500,000.00	
Undivided Profits	1,292,065.17		811,988.90	
Reserve for Contingencies	577,526.22		695,985.37	
Total Capital Accounts		17,569,591.39		17,007,974.27
Total Liabilities		$443,995,443.52		$402,579,557.20

United States Government obligations and other assets were pledged to secure trust deposits and public funds and for other purposes as required by law: at December 31, 1950—$43,394,266.57; at December 31, 1949—$44,370,922.73.
Member Federal Deposit Insurance Corporation

STATEMENT OF SURPLUS AND UNDIVIDED PROFITS

Balance Forward—January 1, 1950	$6,311,988.90
Additions:	
Earnings Added to Undivided Profits	1,076,076.27
Total	$7,388,065.17
Deductions:	
Dividends Paid on Common Stock	396,000.00
Balance—December 31, 1950	$6,992,065.17

STATEMENT OF RESERVE FOR CONTINGENCIES

Balance Forward—January 1, 1950	$ 695,985.37
Additions:	
Profit on Securities Sold (After Taxes)	6,366.90
Recoveries	32,427.22
Total Additions	$ 734,779.49
Deductions:	
Loss on Sale of Banking Premises (After Taxes)	157,253.27
Balance—December 31, 1950	$ 577,526.22

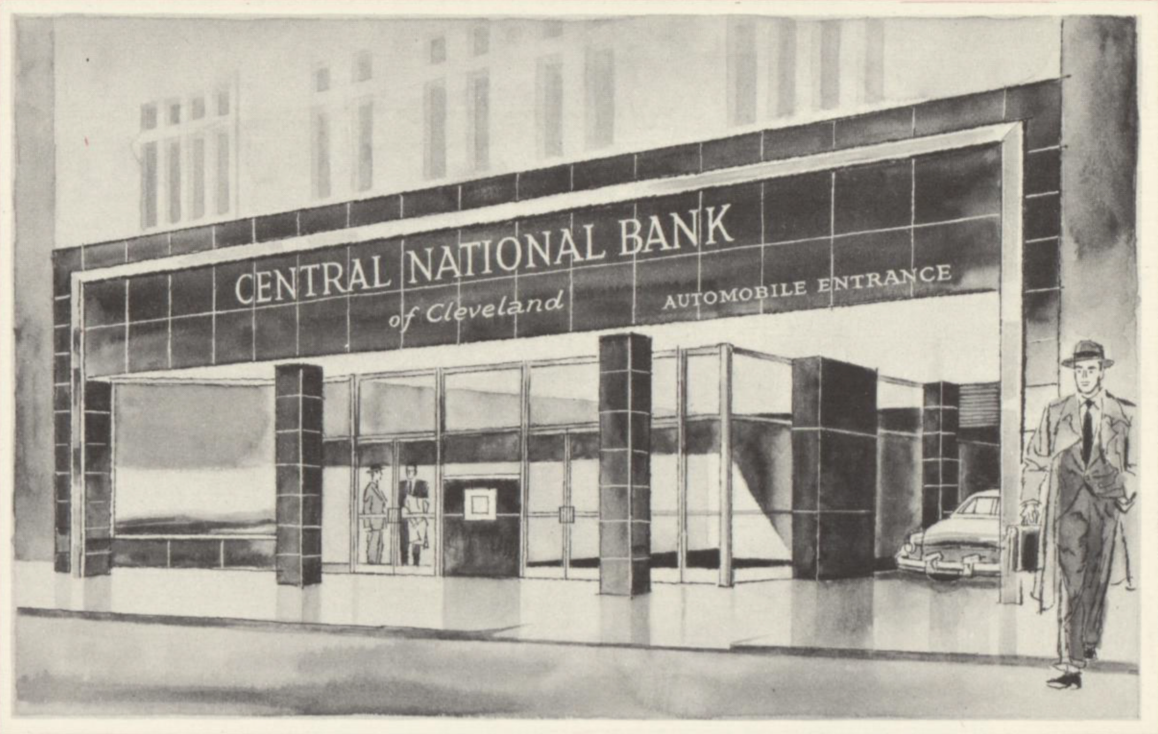
STATEMENT OF EARNINGS

OPERATING INCOME	1950	1949
Interest on Loans (After Amortization)	$4,624,954.76	$4,211,343.93
Interest on U. S. Securities (After Amortization)	2,807,917.33	2,719,207.79
Interest on Other Securities (After Amortization)	86,392.25	82,253.89
	$7,519,264.34	$7,012,805.61
Trust Department Income	844,749.94	669,696.54
Service Charges	610,089.12	526,321.09
Other Income	259,836.71	380,519.17
Total Operating Income	$9,233,940.11	$8,589,342.41
OPERATING EXPENSES		
Interest on Time Deposits	$1,033,858.97	$1,055,955.30
Salaries, Wages, and Contribution to Retirement Plan	2,847,688.45	2,711,989.47
Occupancy Expenses (Including Real Estate Taxes)	736,606.40	814,192.24
Taxes (Other than Real Estate and Federal Income)	582,623.78	554,894.54
Federal Deposit Insurance	124,500.27	284,606.93
Other Expenses	1,355,585.97	1,262,478.69
Total Operating Expenses	$6,680,863.84	$6,684,117.17
Operating Earnings Before Dividends and Income Tax	$2,553,076.27	$1,905,225.24
Deductions:		
Provision for Dividend on Preferred Stock	$ 102,000.00	$ 196,586.30
Provision for Federal Income Tax on Operating Earnings	675,000.00	120,000.00
Total Deductions	$ 777,000.00	$ 316,586.30
Net Operating Earnings Before Reserves	$1,776,076.27	$1,588,638.94
Profit on Securities Sold After Taxes	6,366.90	108,044.99
Total Earnings Before Reserves	$1,782,443.17	$1,696,683.93
TRANSFERRED TO RESERVES		
To Valuation Reserve	$ 700,000.00	$1,000,000.00
To Reserve for Contingencies	6,366.90	108,044.99
Total Transferred to Reserves	$ 706,366.90	$1,108,044.99
Earnings Added to Undivided Profits	$1,076,076.27	$ 588,638.94

BALANCE SHEET AND OPERATING RATIOS

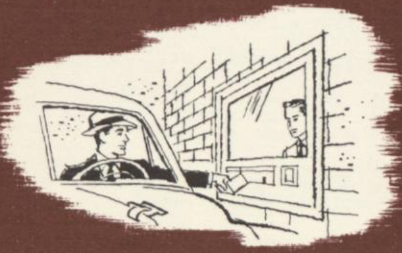
EARNINGS ON COMMON STOCK PER SHARE	**1950**	**1949**
Net Operating Earnings Before Reserves	$ 5.38	$ 4.81
Profit on Securities Sold (After Taxes)	.02	.33
Total Net Earnings Before Reserves	$ 5.40	$ 5.14
Distribution of Total Net Earnings		
To Valuation Reserve	$ 2.12	$ 3.03
To Reserve for Contingencies	.02	.33
To Undivided Profits	3.26	1.78
Total	$ 5.40	$ 5.14
BOOK VALUE PER COMMON SHARE	$42.94	$41.23
OPERATING INCOME—PERCENT OF TOTAL		
Interest on Loans (After Amortization)	50.09%	49.03%
Interest on Securities (After Amortization)	31.34	32.61
Trust Department Income	9.15	7.80
Other Income	9.42	10.56
Total Operating Income	100.00%	100.00%
Distribution of Operating Income		
Interest Paid on Time Deposits	11.19%	12.29%
Salaries, Wages, and Contribution to Retirement Plan	30.84	31.57
Occupancy Expense (Including Real Estate Taxes)	7.98	9.48
Taxes (Other than Real Estate and Federal Income)	6.31	6.46
Federal Deposit Insurance	1.35	3.31
Other Expenses	14.68	14.71
Total Expenses	72.35	77.82
Provision for Federal Income Tax on Operating Earnings	7.31	1.40
Net Operating Earnings	20.34	20.78
	100.00%	100.00%
AVERAGE RATE OF EARNINGS PER ANNUM (After Amortization)		
Total Loans (Discounts, Mortgage, Personal, etc.)	3.82%	3.71%
U. S. Securities	1.55	1.53
Other Securities	1.88	2.70
Total Loans and Securities	2.46	2.39
ASSETS—PERCENT OF TOTAL		
Total Cash and Due from Banks	23.60%	21.15%
Loans and Discounts	21.65	19.58
Mortgage Loans	8.97	9.15
Total Loans	30.62	28.73
U. S. Securities	41.71	47.32
Other Bonds and Securities	.73	.89
Total Securities	42.44	48.21
Other Assets	3.34	1.91
Total Assets	100.00%	100.00%
DEPOSITS—PERCENT OF TOTAL		
Commercial	52.61%	48.95%
Bank	8.59	7.54
Public Funds—Demand	3.85	4.61
Other Demand Deposits	3.84	4.49
Total Demand Deposits	68.89	65.59
Savings Deposits	26.89	29.87
Other Time Deposits	2.40	2.33
Total Time Deposits	29.29	32.20
Treasury Tax and Loan Account	1.82	2.21
Total Deposits	100.00%	100.00%

FIRST IN CLEVELAND . . . DRIVE-INSIDE BANKING

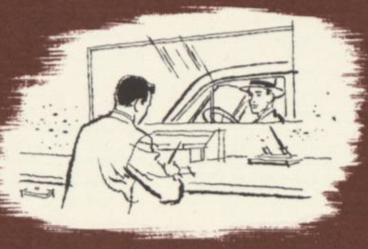


The growth of the bank's business in the Playhouse Square section of downtown Cleveland made it necessary to improve our physical accommodations. The solution was an entirely new location which, fortunately, was secured just a few doors east of the old site. Thus, at 1718 Euclid Ave., this bank, on last December 11, opened the most modern banking center in Greater Cleveland. Completely new and modern it offers the public the ultimate in banking convenience and comfort. As an additional feature designed particularly for customers who are not within walking distance of the office, Central National Bank introduced Drive-Inside commercial banking service to Cleveland.

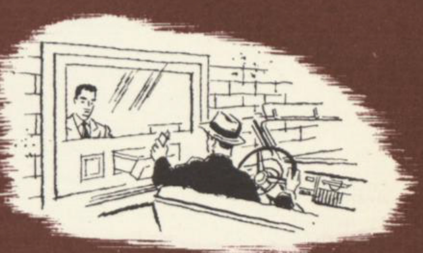
HERE'S HOW OUR CUSTOMERS BANK FROM THEIR CARS



Customer gives teller instructions through two-way speaker system and places material in sliding drawer or larger bin.



Teller records the transaction then places papers or money in sliding drawer (or bin) and returns it to the customer.



Customer removes papers or money from drawer (or bin) and drives on out, his banking completed without leaving the car.

BANK OFFICES

MAIN OFFICE . . . 123 West Prospect Avenue

EUCLID AVENUE OFFICE
509 Euclid Avenue

UNITED OFFICE
2000 West 25th Street

PLAYHOUSE SQUARE OFFICE
1718 Euclid Avenue

ROCKEFELLER OFFICE
612 Superior Ave., N. W.

KENMORE OFFICE
St. Clair Ave. at E. 140th St.

DOAN OFFICE
Euclid Ave. at E. 101st St.

OUL OFFICE
Broadway at East 55th St.

LORAIN-W. 117TH ST. OFFICE
11718 Lorain Avenue

COVENTRY OFFICE
Coventry & Lancashire Rds.

BUCKEYE ROAD OFFICE
Buckeye Rd. & E. 118th St.

SHORE CENTER OFFICE
22332 Lake Shore Boulevard

CHAGRIN FALLS OFFICE
Chagrin Falls, Ohio

DIRECTORS OF THE BANK

Walter C. Astrup
President, The Astrup Co.

Samuel E. Bool
Cleveland, Ohio

James E. Campbell
President, The Campbell Coal Co.

Geo. S. Cole
Cleveland, Ohio

A. M. Corcoran
Cleveland, Ohio

George E. Creadon
Treasurer and General Manager,
The Standard Brewing Co.

Howard P. Eells, Jr.
President, Basic Refractories Incorporated

Loring L. Gelbach
President

Herbert C. Jackson
Partner—Pickands, Mather & Co.

J. M. Killpack
Vice President

L. F. Laylin
Vice President

C. P. Leininger
President, Eagle Laundry, Inc.

J. C. McHannan
Chairman

E. R. Motch, Jr.
President,
The Motch & Merryweather Machinery Co.

F. C. Schlundt
Vice President

Robert J. Schmunk
Cleveland, Ohio

W. J. Schoenberger
Cleveland, Ohio

Lester M. Sears
President, Towmotor Corporation

E. W. Sloan, Jr.
Vice President and Treasurer,
Oglebay, Norton and Company

W. A. Southworth
Squire, Sanders & Dempsey

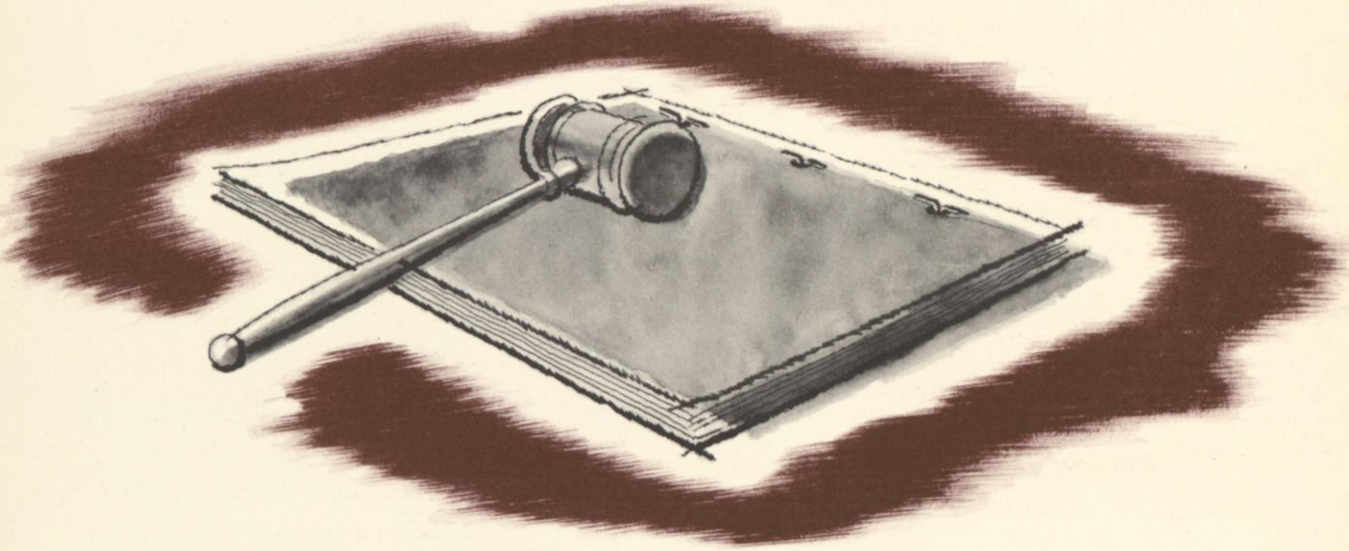
R. J. Wean
President and Treasurer,
The Wean Engineering Company, Inc.,
Warren, Ohio

James A. Weeks
Thompson, Hine & Flory

Myron H. Wilson, Jr.
Partner—Wilson, McBride & Co.

Alexander T. Wood
President, The Wilson Transit Co.

L. C. Wykoff
McKeehan, Merrick, Arter & Stewart



CENTRAL NATIONAL BANK
of Cleveland